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COMMITTEES:
Rules,
CHAIRMAN

June 27th, 2019

Chairman, Dale Schultz
Industrial Commission of Arizona
800 W. Washington Street
Phoenix, AZ 85007

Re: Staff Proposal - 2019/2020 Arizona Physicians' and Pharmaceutical Fee Schedule

Dear Chairman Schultz:

I am pleased to write the Commission in support of the Staff Proposal-2019/2020 Arizona Physicians and Pharmaceutical Fee Schedule. As you know I sponsored S.B. 1111(Workers' compensation; opioids; dispensed medications) which required the Commission to modify the physician fee schedule to set reimbursement guidelines for medication dispensed in settings not accessible to the general public.

I was heartened to hear that the Commission solicited input from a broad cross section of the stakeholders including physicians, insurers and the employer community. It was good to see that the process included a public hearing to receive stakeholder input and that the Commission hired an independent consultant to review the issue and advise the Commission. It is clear to me that you have utilized a thoughtful and robust process to develop the staff recommendations.

I believe the recommended staff proposal regarding the dispensing of medications is consistent with the intent of the legislation both in terms of process and substance. It appears that the Commission has embraced the responsibility given to it by the Legislature. The proposed guidelines will improve Arizona's work compensation system.

It was clear from the legislative testimony and stakeholder meetings related to SB 1111 that physician dispensing of medications can create unnecessary costs without improving patient outcomes. Many of the stakeholder comments during the public hearing process and the consultant's report reflect this position. The staff recommendation to prohibit the reimbursement of unnecessary physician dispensed pharmaceuticals is an appropriate guideline. The fee schedule provides reasonable exceptions to this limitation to ensure that patients can receive the pharmaceuticals they need including at the initial visit.

Thank you for considering my comments on the implementation of SB 1111. I am happy to see that the Commission has fully embraced legislative initiated reforms like evidence based medicine and the reimbursement guidelines related on the physician dispensed drugs. I look forward to our continued work together to ensure that Arizona has the highest quality workers compensation system.

Sincerely,



Senator Karen Fann
District 1
Arizona Senate